

Title: Money Follows the Person Rebalancing Demonstration Grant

Section: 2403

State Option

Overview:

As described in a separate white paper, Nevada has received \$200,000 in federal funds for a Money Follows the Person (MFP) Planning Grant to assist with its application for the MFP Rebalancing Demonstration Grant. This competitive grant opportunity is intended to help states increase the availability of Home and Community Based Services (HCBS) and reduce the use of long term institutionally based services for Medicaid recipients. The Patient Protection and Affordable Care Act (PPACA) made significant changes to the existing MFP Rebalancing Demonstration Grants allowing states without a current MFP Rebalancing Demonstration Grant, such as Nevada, the opportunity to apply for this grant solicitation. The Division of Health Care Financing and Policy (DHCFP) is utilizing the MFP Planning Grant monies to determine the direction, goals, objectives, and Draft Operational Protocol items for inclusion in its grant application. DHCFP has contracted with Public Consulting Group (PCG) to assist in this process. PCG has joined DHCFP's MFP Core Work Group to assist in writing the grant application and make certain there is significant Nevada stakeholder input.

Section 2403 implements the following changes:

- Extends the end date for MFP Rebalancing Demonstration Grant funding from 2011 to 2016.
- Reduces the period of time for which an eligible recipient must have resided in an institution from six months to 90 days.

The MFP Rebalancing Grant Demonstration is a six-year grant opportunity. The primary grantee must be the State Medicaid Agency. The intent of the grant is to coordinate the efforts of Federal and State agencies to implement comprehensive solutions that address barriers to community living for individuals with disabilities and older Americans. The grant demonstration provides tools to address gaps in the availability of community services, and provides expanded opportunities to serve more individuals in home and community-based settings. In addition, the demonstration adds to the tools already available so States can implement the integration mandate of the Americans with Disabilities Act as required in the United States Supreme Court *Olmstead* decision.

The MFP Rebalancing Demonstration Grant provides three different Federal Medical Assistance Percentages (FMAP) that are applicable to grant activities. Some grant activities are eligible for 100% FMAP, others for an enhanced FMAP, and still others are matched at the state's standard FMAP. For example, qualified Medicaid State Plan and HCBS provided to MFP participants will

receive an enhanced FMAP percentage; demonstration services may receive an enhanced FMAP percentage, supplemental services are reimbursed at the state's standard FMAP rate; and administrative services are reimbursed at 100%, utilizing grant funding.

The opportunities for Nevada in its grant application include:

- Eliminating barriers and mechanisms in State law, State Medicaid plans, or State budgets that prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive long-term care in the settings of their choice;
- Addressing multiple populations;
- Increasing the use of HCBS and reducing the use of institutionally-based services;
- Strengthening the ability of Medicaid programs to assure ongoing provision of HCBS to those individuals who choose to transition from institutions;
- Helping States increase capacity of and access to affordable housing by allowing provision of:
 - Transition costs
 - Security deposits
 - Essential furnishings;
- Increasing availability of transportation and other social services;
- Giving States the opportunity to explore options to expand self-directed services;
- Integrating cultural and linguistic competence into HCBS activities statewide;
- Allowing States the flexibility to propose scope and focus of the program;
- Creating systems for quality assurance and improvement ;
- Providing fiscal support for key personnel, travel, training, outreach and marketing, and IT infrastructure; and
- Increasing access to services by building “no wrong door” systems of care.

In the next few weeks, the DHCFP MFP Work Group will identify specific goals for its grant application, subject to revision from the results of stakeholder input to be gathered at public workshops or forums conducted by PCG and state staff.

The challenges for DHCFP in its grant application development tasks include but are not limited to:

- a. Potential delays in grant permitted FMAP increase, due to CMS requiring revisions and approval of Draft Operational Protocol after start of grant period, but before allowing FMAP increase.
- b. Potential “funding cliff” of available funding for services after 365 days for eligible recipients.
- c. Complexities of shifting funding between State and County entities.

- d. Ongoing budget shortages and lack of matching dollars (in theory, this grant has no cost-matching requirements but state funds still need to be available for the state share of reimbursements).
- e. Complexities of the varying Federal Medical Assistance Percentages (FMAP) available for different grant activities at different cycles during the life of the grant.
- f. Complexities utilizing the State's fiscal structure to address populations moving between budget "silos" in order to fund home and community-based services.
- g. Insufficient Medicaid services and programs, including necessary Home and Community-Based Waiver slots.
- h. Lack of quality improvement systems including a standardized system used to discover and remediate problems that arise within Medicaid programs.
- i. Lack of community infrastructure including housing and supports for grant populations.
- j. Ongoing grant reporting burdens and other stringent deadlines with limited state staff.
- k. Hiring freezes and challenges in hiring additional State staff.
- l. A grant requirement to hire a full time Project Director and Assistant Director.

Many of these challenges will be resolved as the MFP Work Group develops each section of the MFP Rebalancing Demonstration Grant application.

Targeted Population: The MFP Rebalancing Demonstration Grant application has the ability to address multiple Medicaid-eligible populations, including persons who are aged, persons with disabilities, persons with mental health diagnoses, persons with dementia, and persons with substance abuse issues. DHCFP has not yet decided which populations will be addressed in its grant application.

Fiscal Impact: Nevada's fiscal impact is unknown at this time. The PPACA allocates a total of \$450 million per year in additional funding for MFP Rebalancing Demonstration Grants, anticipating five to twenty awards from this current solicitation. All unexpended funding in each fiscal year of the program remains available until the final supplemental awards are made to grantees in 2016. All funding that is awarded may be expended in the fiscal year of award and four additional years. In Nevada, the MFP Work Group is working with PCG and community stake holders to write the grant application and determine the funding amount that will be requested for our state.

Applicability to Nevada: The opportunity for Nevada to receive additional federal funds for grant activities supporting the expansion of home and community based service availability and transition of individuals from institutional settings is worthwhile. The lack of MFP-type activities and correlated funding could result in continuation of services in institutional settings,

which is a fiscal as well as quality of life issue for Nevadans residing in institutions. A successful grant application and implementation of its activities will be another in a series of Nevada's positive and effective responses to *Olmstead*.